

4 NOV 1977

MEMORANDUM FOR: Executive Officer, OL

VIA: Acting Chief, Real Estate and Construction
Division, OL

STATINTL

FROM: [REDACTED]
Chief, Headquarters Engineering Branch,
RECD/OL

SUBJECT: Funding for SAFE 2500 kW Generator

1. This office has transmitted to the General Services Administration (GSA) final plans and specifications for the installation of two 2500 kW generating units at the Headquarters compound. A construction contract should be awarded by GSA in January 1978. The generator currently on hand and awaiting installation was procured with Office of Data Processing funds in May 1976. The second generator to be installed was to be procured in October 1977 utilizing Project SAFE funds. The 1-year delivery time for this generator would make its arrival at Headquarters coincide with that phase of construction necessary for its installation (October 1978).

2. Since Project SAFE has been delayed, the Headquarters Engineering Branch (HER) has been informed that the earliest SAFE funds could be made available for procurement of the generator is FY-80 (October 1979). This would lead to the following project construction profile:

- a. January 1978--GSA awards contract for installation of two CIA-furnished generators.
- b. February 1979--The first generator installed and site preparation for second unit completed.
- c. October 1979--SAFE FY-80 funds available for procurement of generator.
- d. October 1980--Generator arrives at Headquarters.
- e. April 1981--Generator installation completed.

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3. As can be seen from the above profile, there is a period of 20 months (Feb 1979 to Oct 1980) during which no construction activity takes place. Since the contract presently calls for a 400-day construction period, it must now be changed to a 39-month construction period to accommodate the delays in supplying Government-furnished equipment under the schedule outlined above. This is highly undesirable for a number of reasons. Contractually, it allows the contractor up to 39 months to complete a project which has only 19 months of construction activity. This may encourage some early project foot dragging much to the detriment of the Government which can utilize the power from the first new generator right now. The Government would also have to absorb 20 months inflation in not only construction costs but procurement costs of the generator as well (currently budgeted at \$400,000).

4. As an alternative to the undesirable situation described above, it is recommended that the 2500 kW generator be procured in November 1977 utilizing funds available in the reimbursable HVAC account assuming:

Amount allocated for FY-78	\$1,537,000.00
Amount obligated for FY-78 reimbursable HVAC on 78-0048	- 678,481.00
Amount obligated for generator fuel on 78-0050	- 21,232.00
Amount obligated for additional special use areas on 78-0048-1	- 7,840.00
Reserve for Powerplant Operating Engineers in the last three quarters of FY-78 (worst case)	- 114,318.00
Subtotal	\$ 715,129.00
Proposed generator procurement	- 400,000.00
Remains available for contingencies	\$ 315,129.00

STATINTL

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